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UNIT ORGANIZATION OF TWO TOPICS FOR A CLASS IN BOOKKEEPING

Dorothy Madalene Titus

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Thesis

UNIT ORGANIZATION OF TWO TOPICS FOR A CLASS IN BOOKKEEPING

Submitted by

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(B. S., Simmons College, 1928)

In partial fulfillment of requirements
for the degree of Master of Education

1946

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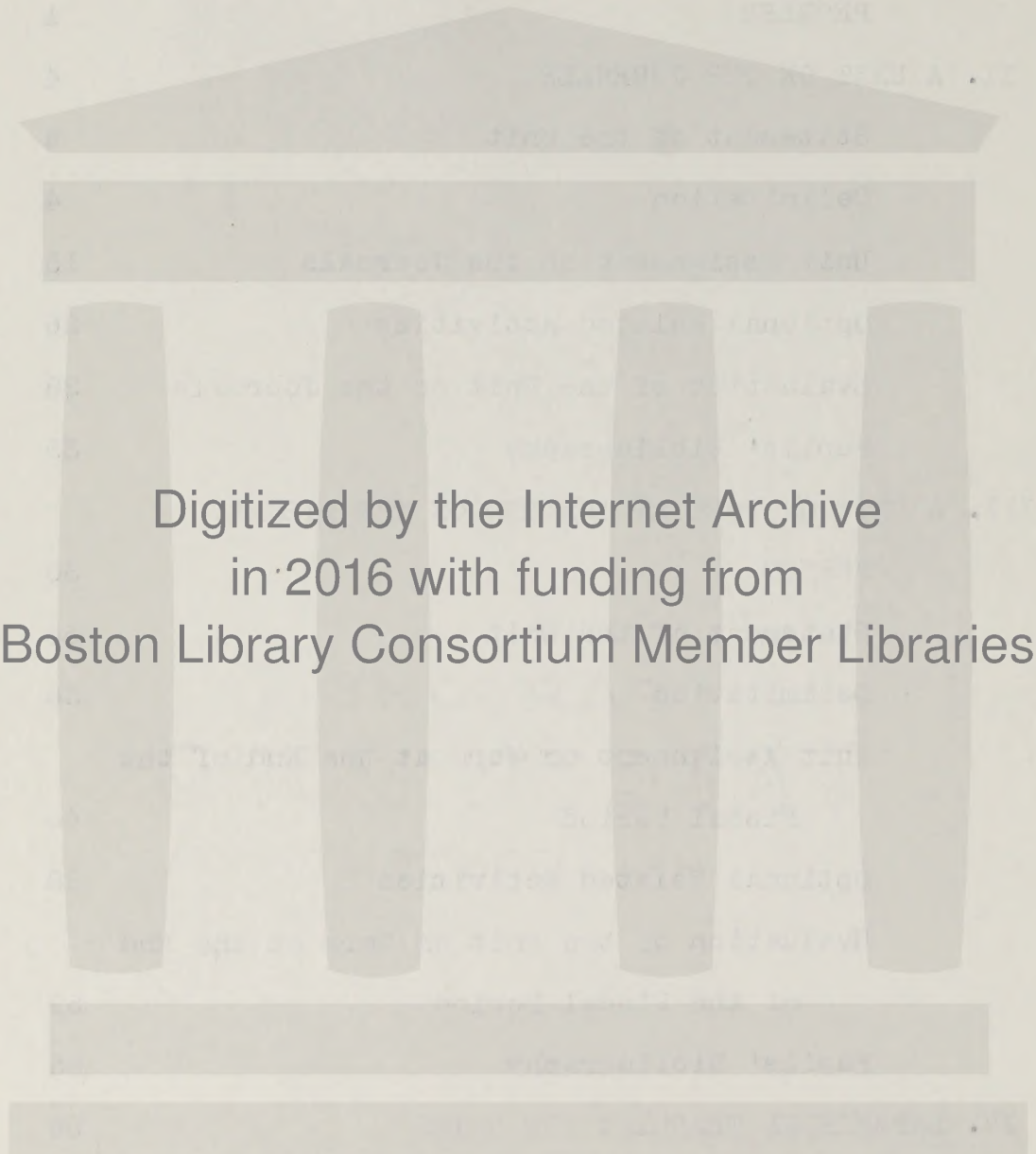

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CHAPTER I

THE TOWN, THE SCHOOL, THE CLASS, AND THE PROBLEM

CHAPTER I

THE TOWN, THE SCHOOL, THE CLASS, AND THE PROBLEM

Hingham, Massachusetts, is a town of 9676 inhabitants, (1945 census), located on the shore of Massachusetts Bay, 19 miles south of Boston. It covers a territory of 30 square miles. It is one of America's most ancient towns.

Hingham, formerly Bare Cove, was founded in September 1635 by colonists from Norfolk County, England, who had originally settled in and around Charlestown and Boston. Many of them, including their leader and first pastor, the Reverend Peter Hobart, were from the historic old English town of Hingham.[1]

Hingham is mainly a residential town, although it embraces the sites of certain naval installations. In times of peace these afford limited opportunities for civilian employment.

The high school at Hingham enrolls approximately 550 students from Hingham and Hull. It is a school with modern ideas and is not afraid to try out the new methods of education. After taking the course "Unit Organization in the Secondary-School," taught by Dr. Roy O. Billett, the

1/ Titus, Percy Hobart, and Dorothy M. Titus. Hobart Family in America. P. H. Titus, Boston, 1943.

writer decided to try out this way of teaching. Thus, this paper, which deals with unit organization in a bookkeeping class, is the result of actual teaching by this method.

In Hingham High School, bookkeeping used to be taught in the tenth grade, as is still done in most schools. However, it was found that after graduation pupils had forgotten their bookkeeping. To overcome this state of affairs, and yet, not to overload the 11th and 12th year programs, it was decided to give one year of bookkeeping, but, to space it over two years, the last two, so that it might be fresh in the minds of the graduates. Therefore, in Hingham High School, bookkeeping classes meet twice a week for two years. In the last year little homework is assigned due to the load of outside work the secretarial students have to perform for the faculty. This placement of the subject is in itself an experiment, the results of which cannot yet be reported.

The class used for this paper was a group of 11th graders. In it were 13 girls, aged 15 to 18, (the majority 16), who had secured a grade of "C" or better in business arithmetic or algebra, the preceding year. Intelligence quotients ranged from 91 to 119, with the arithmetic mean 107. As high school pupils go they were a selected group.

Topics chosen for the units were The Journals, and Work at the End of the Fiscal Period. Experience has taught that the first topic is one of the easiest to put across in the traditional classroom manner, and that the second is one of the hardest.

The textbook used was 20th Century Bookkeeping and Accounting, First Year Course, 18th Edition, by Carlson, Prickett, and Forkner.[1/] Copies of six other modern textbooks, listed in the pupils' bibliography, were available and used as supplementary texts.

Optional related activities, which were few and not very satisfactory, were typed on cards and placed in a card index file. A notebook was used for a class log. Time consumed for each unit was 20 periods, or with our unusual set-up of classes meeting twice a week, ten weeks.

The terms used in these units are those of Dr. Roy O. Billett, found in his text, Fundamentals of Secondary-School Teaching.[2/]

1/ Carlson, Paul A., Alva Leroy Prickett, and Hamden L. Forkner, 20th Century Bookkeeping and Accounting, First Year Course, 18th Edition. South-Western Publishing Company. Cincinnati, 1940, 412 p.

2/ Billett, Roy O., Fundamentals of Secondary-School Teaching. Houghton Mifflin Company. Boston, 1940, 671 p.

CHAPTER II

A UNIT ON THE JOURNALS

CHAPTER II

A UNIT ON THE JOURNALS

Statement of the Unit

The use of special journals saves time and work. All people studying the principles of bookkeeping should know the functions of each journal and should appreciate their use as a classifying medium.

Delimitation

I. The cash receipts journal

A. This is the place for records of transactions involving the receipt of cash.

1. Transactions where cash is received include:

a. Customers who pay cash on the spot.

b. Customers who have charged goods in the past and wish to settle their accounts by paying cash.

c. Cash received by the business because of investment by the proprietor or others.

d. Cash refunds due to one cause or another.

B. The three-money-column cash receipts journal

1. Reasons for choosing a three-money-column

cash receipts journal:

a. It is a convenient form when a person is using the controlling account, Accounts Receivable.

b. It is the type of journal most likely to be used by a mercantile establishment.

2. Features of the three-money-column cash receipts journal:

a. This journal has a column for the month and a column for the day.

b. It has a column where the account title to be credited is written.

c. It has a column where an explanation is written.

d. It has a folio column.

e. It has three money columns which are headed General Ledger Credit, Accounts Receivable Credit, and Net Cash Debit.

f. It has a summarizing entry at the end.

3. Making the entries in a three-money-column cash receipts journal

a. The day and month of all transactions must be indicated in the first two columns. The month is written only once in a period and is put on the first line. In the space

above the name of the month, the year is written in very small numerals.

b. All titles of accounts to be credited are written in the third column.

c. The explanation of the transaction is written in the fourth column.

d. The amounts of the accounts that will be posted to the general ledger are placed in the first and last money columns.

e. The amounts received from customers are placed in the second and last money columns. (The second money column is a special column whose total will be posted to the controlling general ledger account Accounts Receivable. The accounts of customers will be posted individually to the accounts receivable ledger).

f. In the summarizing entry at the end of the cash receipts journal, the total of Cash is debited; the total of the General Ledger column is credited, but, also checked in the folio column so that it will not be posted; and the total of Accounts Receivable is credited.

II. The cash payments journal

A. This is the place for records of transactions involving the payment of cash.

1. Transactions where cash is paid include:

a. The immediate cash payment for purchases of goods or other assets.

b. The payment of liabilities.

c. The payment of expenses that have been incurred.

d. The payment for services that have been received.

B. The three-money-column cash payments journal

1. Reasons for choosing a three-money-column cash payments journal:

a. It is a convenient form when a person is using the controlling account Accounts Payable.

b. It is the type of journal most likely to be used by a mercantile establishment.

2. Features of the three-money-column cash payments journal:

a. This journal has a column for the month and a column for the day.

b. It has a column where the account title to be debited is written.

c. It has an explanation column.

d. It has a folio column.

e. It has three money columns which are headed General Ledger Debit, Accounts Payable Debit, and Net Cash Credit.

f. It has a summarizing entry at the end.

3. Making the entries in a three-money-column cash payments journal.

a. The day and month of all transactions must be indicated in the first two columns. The month is written only once in a period and is put on the first line. In the space above the name of the month, the year is written in very small numerals.

b. All titles of accounts to be debited are written in the third column.

c. The explanation of the transaction is written in the fourth column.

d. The amounts of the accounts that will be posted to the general ledger are placed in the first and last money columns.

e. The amounts paid to our creditors are placed in the second and last money columns. (The second money column is a special column whose total will be posted to the controlling general ledger account

Accounts Payable). The accounts of creditors will also be posted individually to the accounts payable ledger.

f. In the summarizing entry at the end the total of the General Ledger column is debited, but, also checked in the folio column so that it will not be posted; the Accounts Payable total is debited; and the total of Cash is credited.

III. The sales journal

A. This is the place for the records of transactions involving the selling of merchandise on account.

B. The one-money-column sales journal

1. Reasons for choosing a one-money-column sales journal:

a. It is simple and serves the purpose.

b. It is the type of journal most likely to be used by a mercantile establishment.

2. Features of a one-money-column sales journal:

a. This journal has a column for the month and a column for the day.

b. It has a column where the account title is debited.

c. It has a column for the addresses of the customers.

d. It has a column for the terms of the sale.

e. It has a column for the number of the sale.

f. It has a column for the amount of the sale.

g. It has a summarizing entry at the end.

3. Making the entries in a one-money-column sales journal.

a. The day and month of all transactions must be indicated in the first two columns. The month is written only once in a period and is put on the first line. In the space above the name of the month, the year is written in very small numerals.

b. All names of customers to be debited are written in the third column.

c. The addresses of customers appear in the fourth column.

d. The terms of the sale are put in the fifth column.

e. The number of the sale appears in the sixth column.

f. The amount of the sale appears in the last column.

g. The sales journal has a summarizing entry at the end. The controlling general ledger account Accounts Receivable is debited,

and Sales is credited for the amount of the total.

IV. The purchases journal

A. This is the place for the records of transactions involving the purchasing of merchandise on account.

B. The one-money-column purchases journal

1. Reasons for choosing a one-money-column purchases journal:

a. It is simple and serves the purpose.

b. It is the type of journal most likely to be used by a mercantile establishment.

2. Features of a one-money-column purchases journal:

a. This journal has a column for the month and a column for the day.

b. It has a column where the account title is credited.

c. It has a column for the addresses of the creditors.

d. It has a column for the terms of the purchase.

e. It has a column for the number of the purchase.

f. It has a column for the amount of the purchase.

g. This journal has a summarizing entry at the end.

3. Making the entries in a one-money-column purchases journal

   a. The day and month of all transactions must be indicated in the first two columns. The month is written only once in a period and is put on the first line. In the space above the name of the month, the year is written in very small numerals.

   b. All names of creditors to be credited are written in the third column.

   c. The addresses of creditors appear in the fourth column.

   d. The terms of the purchase are put in the fifth column.

   e. The number of the purchase appears in the sixth column.

   f. The amount of each purchase appears in the last column.

   g. In the summarizing entry at the end the general ledger account Accounts Payable is credited, and Purchases is debited for the total.

V. The general journal

   A. This is the place where all transactions excluded from the special journals are placed.

B. The two-money-column general journal.

1. Features of a two-money-column general journal:

a. This journal has a column for the month and a column for the day.

b. It has a column where the accounts to be debited and credited are written.

c. It has two money columns.

2. Making entries in a two-money-column general journal.

a. The day and month of all transactions must be indicated in the first two columns. The month is written only once in a period and is put on the first line. In the space above the name of the month, the year is written in very small numerals.

b. Titles of accounts to be both debited and credited appear in the third column. The debit entry appears first and the credit entry follows on the line below, indented one inch to the right.

c. The explanation of the transaction must appear one line below the credit entry and be indented one inch beyond it to the right. It should describe clearly what took place.

d. The amount debited appears in the first

money column and the amount credited appears in the last money column.

Unit Assignment on the Journals

(Duplicated and given to the pupils)

Unit Assignment on the Journals

The Cash Receipts Journal

The cash receipts journal and the cash payments journal make up the cashbook. They will be studied separately and then jointly.

An important thing to bear in mind at all times is the function of each journal. If you have a transaction where cash is received the entry for it goes in the cash receipts journal. For the purpose of this lesson the three-money-column cash receipts journal will be used. See 1:160. (1:160 means the first book listed on your bibliography, page 160).

Things to do

1. On a blank piece of paper rule a three-money-column cash receipts journal, (model 1:160), and put in the headings. Did you notice whether the account was debited or credited?
2. Study the model 1:160. Answer the following questions on a piece of composition paper. Be sure each answer has the same number as the question. This is for the purpose of identification.
   a. How many times is the year written?
   b. How many times is the month written?
   c. How do the cash receipts journals found 5:190, 3:258 or 4:246 differ from the one you are studying?
3. Read 1:159-163 through "Posting the totals of the Cash

Receipts Journal".

4. On page 105 of your workbook do Exercise 34, 1:173. Remember that the amount goes in two columns, either the General Ledger Credit and the Net Cash Debit, or the Accounts Receivable Credit and the Net Cash Debit. Answer the following questions on composition paper.

    a. Did you foot and rule the cash receipts journal?

    b. Did you make the summarizing entry?

    c. How many times did you write the title Cash?

    d. How many times would you have written it if you had been using a general journal?

    e. Does your cash receipts journal look like the one found 1:160 in every detail?

    f. Did you put a check mark in the posting reference column for your General Ledger Credit column total, so that it would not be posted?

5. Keep this completed exercise in your workbook until after Exercise 36 has been completed.

The Cash Payments Journal

If you have a transaction where cash is paid by the business, put the entry in the cash payments journal. For the purpose of this lesson the three-money-column cash payments journal will be used. See 1:164.

6. On a blank piece of paper rule a three-money-column cash payments journal, (model 1:164), and put in the headings.

Did you notice whether the account was debited or credited?

7. Study the model 1:164. Answer the following questions on composition paper.

    a. How many times is the year written?

    b. How many times is the month written?

    c. How do the cash payments journals found 5:191, 3:259 or 4:247 differ from the one you are studying?

8. Read 1:163, the last paragraph, to page 165, the middle of the page. Study Illustration 69 on page 164.

    a. How does this differ from the cash receipts journal, 1:160, as to style, headings and the summarizing entry?

9. Note that the General Ledger Debit column total in the cash payments journal is checked. Do you know why?

10. Do Exercise 35, 1:174 on page 106 of your workbook. Remember that the amount goes in two columns, either the General Ledger Debit and the Net Cash Credit, or the Accounts Payable Debit and the Net Cash Credit.

    a. Did you foot and rule the cash payments journal?

    b. Did you make the summarizing entry?

    c. How many times did you write the title Cash?

    d. How many times would you have written it in the general journal to record these transactions?

    e. Does your cash payments journal look in every

detail like the one found 1:164?

f. Did you check your General Ledger Debit column total so that it would not be posted?

The Cashbook

11. Read 1:167-172 and study the cashbook on pages 168 and 169.
    a. Are the summarizing entries of both journals on the same line?
    b. Are the totals of both journals on the same line?
    c. Which journal is on the left?
    d. Which journal is on the right?
    e. Which journal had to leave several blank lines so that the summarizing entries could appear side by side on their respective pages?
    f. How do you find the October 31 Balance at the end of the cash payments journal?
    g. Where is the October 1 Balance added in the cash receipts journal?
    h. This cashbook has been posted to three ledgers. Why do some items, exclusive of the General Ledger totals, have check marks in the posting reference columns and some have numbers?
12. Do Study Guide 13 found in your workbook on pages 103 and 104.
13. Write the answers to your Summary Questions 1:172.
14. Do Exercise 36, 1:174 on pages 108 and 109 of your workbook.
    a. Follow instructions stated below the problem.

b. Prove your cash. The amount should be $917.61. Add the beginning cash balance to the total receipts and from that sum subtract the total payments.

15. Staple together in order all work done thus far. Save for the correction and discussion period.

The Sales Journal

When merchandise is sold on account the entry for the transaction goes in the sales journal. See 1:152. Now look at 7:184. The latter provides a column for the sale number. It is much preferred to the model in your textbook.

16. On a blank piece of paper rule a one-money-column sales journal, (model 1:152 plus a column for the sales number), and put in the headings. Did you notice whether the account was debited or credited?

17. Study the model 1:152. Answer the following questions on a piece of composition paper.

a. How many times is the year written?

b. How many times is the month written?

c. How do the sales journals found 7:184, 3:254 or 4:185 differ from your model 1:152?

d. Do you know why the summarizing entry of your model is different?

18. Read 1:149-157. Study the model 1:156.

a. To how many ledgers has this journal been posted?

b. What are the names of the ledgers?

c. Why are all items in this sales journal, except the total, checked in the posting reference column?

d. Why are there numbers instead of check marks in the posting reference column for the total?

e. What do the numbers mentioned in "d" represent?

19. What is an Abstract of Accounts Receivable?

20. Do Study Guide 12 in your workbook. It is found on pages 97 and 98.

21. Write the answers to the Summary Questions 1:157.

22. Do Exercise 32, 1:158 on page 99 of your workbook. Follow model 1:152.

a. Does your sales journal look like your model in every detail?

23. Do Exercise 32, 1:158 on pages 99, 100, and 101 of your workbook. Before doing this problem answer the following questions.

a. Why are there only two General Ledger accounts? (See workbook, page 99).

b. Why are there nine Accounts Receivable Ledger accounts? (See workbook, pages 101 and 102).

Carefully follow instructions given below problem.

24. Staple together in order all work done on the sales journal. Save for the correction and discussion period.

The Purchases Journal

When merchandise is bought on account the entry for the transaction goes in the purchases journal. See 1:141. This model omits a column for the purchase number. See 7:176.

25. On a blank piece of paper rule a purchases journal like the model 1:141, but, provide a column for the number of the purchase and put it between the terms and posting reference columns. Did you notice whether the account was debited or credited?
26. Study the model 1:141. Answer the following questions on a piece of composition paper.
    a. How many times is the year written?
    b. How many times is the month written?
    c. How do the purchases journals found 7:176, 5:180 differ from your model 1:141?
    d. Do you know why the summarizing entry of your model is different?
27. Read 1:135-146. Study the model 1:145.
    a. To how many ledgers has this journal been posted?
    b. What are the names of the ledgers?
    c. Why are all items in this purchases journal, except the total, checked in the posting reference column?
    d. Why are there numbers instead of check marks in the posting reference column for the total?

e. What do the numbers mentioned in "d" represent?

28. What is an Abstract of Accounts Payable?

29. Do Study Guide 11, found on pages 91 and 92 of your workbook.

30. Write the answers to your Summary Questions 1:147.

31. Do Exercise 30, 1:148 on page 93 of your workbook.

Does your purchases journal look like your model in every detail?

32. Do Exercise 31, 1:148 on pages 93, 94 and 96 of your workbook. Before doing this problem answer the following questions.

a. Why are there only two General Ledger accounts? (See workbook, page 93).

b. Why are there ten Account Payable Ledger accounts? (See pages 95 and 96 of your workbook).

33. Staple together in order all work done on the purchases journal. Save for the correction and discussion period.

The General Journal

When special journals are used the general journal provides a place where all items excluded from the other journals can be recorded. Typical cases include the recording of Notes received or given, correcting entries, opening entries, adjusting entries, and closing entries.

34. Read 1:175-190. Observe the manner in which a returned purchase is recorded 1:177.

a. Why are two accounts debited and only one

credited?

b. Is it because we use more than one ledger?

c. What would the entry be if we used one ledger?

35. Observe the manner in which a return sale is recorded 1:177.

a. Why are two accounts credited and only one debited?

b. Is it because we use more than one ledger?

c. What would the entry be if we used one ledger?

36. Study the manner in which Notes Payable are recorded 1:179. Why are two accounts debited and one credited?

37. How are Notes Receivable recorded? (1:180).

38. How are withdrawals by the proprietor recorded? (1:181).

39. In the correcting entry, 1:181, why was J. C. Miller debited while J. S. Martin was credited?

40. In A. L. Goodman's general journal, 1:182, are samples of the type of entries found in a general journal when special journals are used.

a. What kind of an entry is the first entry?

b. What kind of an entry is the second entry?

c. What kind of an entry is the third entry?

d. What kind of an entry is the fourth?

e. What kind of an entry is the fifth?

f. What kind of an entry is the sixth?

g. What kind of an entry is the seventh?

h. Why do check marks appear in the posting reference

columns of A. L. Goodman's general journal in some places? (1:182).

i. Why do numbers appear in the posting reference column of A. L. Goodman's general journal in some places?

41. In what order must posting be done from the special journals? (1:183).

42. After the posting from five journals has been completed A. L. Goodman's ledgers appear 1:184-189.

a. What does CR1 mean in the posting reference column?

b. What does CP1 mean in the posting reference column?

c. What does S1 mean in the posting reference column?

d. What does P1 mean in the posting reference column?

e. What does J1 mean in the posting reference column?

f. J. S. Martin's account in the account receivable ledger has no balance, 1:187. Why is this?

g. J. C. Miller's account on the same page has a balance of $10.15. Why is this?

43. Do Study Guide 14, page 111 of your workbook.

44. Write the answers to your Summary Questions, 1:191.

45. Do Exercise 37, 1:192, on pages 113 and 114 of your workbook.

Does your journal look like the one found 1:182?

46. Do Exercise 38, 1:192-194, through "Instruction 3". This is a long exercise and requires keen analysis on your part. If you get along well this unit-assignment will have served its purpose. Beginning with "Instruction 4", the exercise will be continued under regular class instruction, as the unit-assignment does not cover the work involved.

Optional Related Activities

(Typewritten on cards and kept in file on teacher's desk)

Optional Related Activities

1. Exercise 11-A, 1:381. Recording and posting the purchases of a book store.

   Material needed:

   Purchases journal
   General journal paper
   General ledger paper
   Accounts receivable ledger paper

2. Exercise 12-A, 1:382. Recording and posting the sales of a wholesale china dealer.

   Material needed:

   Sales journal
   General journal paper
   General ledger paper
   Accounts payable ledger paper

3. Exercise 13-A, 1:383. Recording cash transactions for a jewelry store.

   Material needed:

   Cash receipts journal
   Cash payments journal

4. Exercise 14-B, 1:384. Recording miscellaneous transactions.

   Material needed:

   General journal paper

5. Exercise 14-C, 1:385, 386. Recording transactions in the journals and the ledgers.

   Material needed:

   General journal paper
   Sales journal
   Purchases journal

General ledger
Accounts receivable and payable ledgers
Cash book

6. Describe in your own words what takes place when each of the special journals are posted. Take them separately and describe the process accurately and completely. When you have finished, study models 1:145, 156, 168, 169, 182, and 184 through 189. List at the bottom of the paper, by journal, those points or steps omitted by you in your description.

7. Read 4:457 through 469 and see what this book says about controlling accounts. List the main differences in method found here and in your own textbook.

Evaluation of the Unit on the Journals

(Duplicated and given to the pupils)

(Used as a pre-test and a final test)

Evaluation of the Unit on the Journals

Beginning on the first blue line of your answer sheet, number your lines 1-75. Mark each true statement with a +. Mark each false statement with O.

1. When cash is received it is recorded in the cash receipts journal.
2. The account title is debited in the cash receipts journal.
3. Cash is debited in the cash receipts journal.
4. The month and year are written only once in a fiscal period in the cash receipts journal.
5. The use of a cash receipts journal saves time.
6. The use of a cash receipts journal does not save time.
7. More writing is necessary in a cash receipts journal than in a general journal.
8. The cash receipts journal has a summarizing entry.
9. No explanation column is needed in a cash receipts journal.
10. Creditors' names appear in the cash receipts journal.
11. When Cash is paid out it is recorded in the cash payments journal.
12. The account title is credited in the cash payments journal.
13. Cash is credited in the cash payments journal.
14. The month and year are written only once in a fiscal period in the cash payments journal.
15. The cash payments journal has an explanation column.
16. Customers' names do not appear in the cash payments journal.

17. The use of a cash payments journal does not save time.
18. A summarizing entry at the end of a cash payments journal is unnecessary.
19. Accounts Payable are debited in the cash payments journal.
20. The cash payments journal appears beside the cash receipts journal on the right.
21. Names of customers appear in the sales journal.
22. A sales invoice number is not necessary.
23. There is a column for the addresses of customers in the sales journal.
24. The names of customers are credited in the sales journal.
25. Sales are credited in the sales journal.
26. The month and year are written only once in a period in the sales journal.
27. The sales journal is a labor-saving device.
28. Customers' names are posted to an accounts receivable ledger.
29. The total of the sales journal is posted to two general ledger accounts, Accounts Receivable and Sales.
30. There is no column in the sales journal for the terms of the sale.
31. Names of creditors do not appear in the purchases journal.
32. Names of customers appear in the purchases journal.
33. The terms of all purchases appear in the purchases journal.

34. The addresses of all customers appear in the purchases journal.
35. The names of creditors are credited in the purchases journal.
36. Purchases are credited in the purchases journal.
37. The total of the purchases journal is posted to two general ledger accounts, Accounts Payable and Purchases.
38. Creditors' names are posted to an accounts payable ledger.
39. The purchases journal saves time and labor.
40. A purchase number is necessary.
41. A general journal takes care of all transactions excluded from the special journals.
42. The general journal is a labor-saving device.
43. If one uses special journals a general journal is not necessary.
44. Without the use of special journals all transactions can go in the general journal.
45. When notes are received they are recorded in the general journal, and when notes are given they are recorded in the general journal.
46. The month and year are written for each transaction in the general journal.
47. No explanation is needed in the general journal.
48. General journal entries require only one line of writing.
49. The credit entry appears before the debit entry in a

general journal.

50. The debit entry in a general journal is indented one inch to the right of a credit entry.

Select the letter before the statement which indicates the right answer to the following and write it on the answer sheet.

51. The first step in recording any transaction is

(a) to decide where it will be recorded.

(b) to decide on the debit and credit entries.

(c) to read the transaction.

(d) to write the entry.

52. When cash is received it is recorded in

(a) the general journal.

(b) the cash payments journal.

(c) the sales journal.

(d) the cash receipts journal.

53. When a sale is made for cash it is recorded in

(a) the cash receipts journal.

(b) the sales journal.

(c) the cash payments journal.

(d) the general journal.

54. When a sale is made on account it is recorded in

(a) the sales journal.

(b) the cash receipts journal.

(c) the general journal.

(d) the purchases journal.

55. When a note is received it is recorded in

(a) the cash receipts journal.

(b) the cash payments journal.

(c) the sales journal.

(d) the general journal.

56. When a purchase is made on account it is recorded in

(a) the general journal.

(b) the sales journal.

(c) the cash payments journal.

(d) the purchases journal.

Select the letter in front of the words in the column at the left which best completes the sentences at the right and write it on the answer sheet.

	A bookkeeper records all transactions involving the receipt of cash in
A Sales Journal	the (57)_____. He records all
B Purchases Journal	transactions involving the payment
C General Journal	of cash in the (58)_____. He records
D Cash Receipts Journal	all sales on account in the (59)_____,
E Cash Payments Journal	and all purchases on account in the
	(60)_____. Everything else is
	recorded in the (61)_____.

Select the letter in front of the words in the column at the left which best answers the questions in the right-hand column.

62. Where is a sale for cash

recorded?

63. Where is a sale on account recorded?

64. Where is a purchase for cash recorded?

A Purchases Journal

B Sales Journal

C Cash Receipts Journal

D Cash Payments Journal

E General Journal

65. Where is a purchase on account recorded?

66. Where are notes receivable recorded?

67. Where are notes payable recorded?

68. Where are correcting entries recorded?

69. In what journal do customers' names first appear?

70. When a customer pays his bill where is the entry recorded?

Select the name of the journal for the following ruled models and put it on the answer sheet.

71.

Date		Account Credited	Explanation	L.F.	General Ledger Credited		Accounts Receivable Credited		Cash Debited	

72.

Date			L.F	Debit Amount	Credit Amount

73.

Date	Account Credited	Addresses	L.F.	Terms	No.	Amount

74.

Date	Account Debited	Addresses	L.F.	Terms	No.	Amount

75.

Date	Account Debited	Explanation	L.F.	General Ledger Debited	Accounts Payable Debited	Cash Credited

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CHAPTER III

A UNIT ON WORK AT THE END OF THE FISCAL PERIOD

CHAPTER III

A UNIT ON WORK AT THE END OF THE FISCAL PERIOD

Statement of the Unit

Certain work is necessary at the end of any fiscal period. This work includes the worksheet, the profit and loss statement, the balance sheet, the adjusting and closing entries, ruling the ledger, and the post-closing trial balance.

Delimitation

I. The worksheet

A. This is the place where the bookkeeper lays the groundwork for his statements and the adjusting and closing entries.

1. Features of the worksheet:

a. Two trial balance columns

b. Two adjustment columns

c. Two adjusted trial balance columns

d. Two profit and loss columns

e. Two balance sheet columns

2. Mechanics of the worksheet:

a. The trial balance is made up of the balances of the ledger accounts.

b. Adjustments are made after inventories have been taken. They are made in such a manner as to correct the trial balance and bring it up-to-date. Totals of the debit and credit columns must be the same.

c. The adjusted trial balance is a result of work done after the adjustments have been made. If there is a debit balance in the trial balance columns of an account and another debit to the same account in the adjustment columns one adds both debits to get the correct adjusted trial balance figure, which, of course, will be a debit balance. The same is true of two credits. If there is a debit balance in the trial balance columns and a credit balance in the adjustment columns one subtracts and the result will be a debit balance in the adjusted trial balance. Accounts without adjustments are transferred in their original form to the adjusted trial balance. Totals of the debit and credit columns must be the same.

d. Income and expense accounts are transferred to the profit and loss columns, debit items

to the cost side, credit items to the income side. The totals will not be the same if either a profit or loss has occured. If the income total is larger than the cost total a profit has been made. Label the difference Net Profit. Enter it under the first cost total and add both columns again. The resulting totals will be alike. Enter the amount of the Net Profit on the same line on the opposite side, (credit side), of the balance sheet columns. If a Net Loss has occured put the amount of the Net Loss on the income side of the profit and loss columns and on the opposite side, (debit side), of the balance sheet columns.

e. All remaining amounts not entered in the profit and loss columns are transferred directly to the balance sheet columns. The total of the assets column must equal the total of the liabilities and proprietorship column.

II. The profit and loss statement

A. This statement shows what has taken place over the fiscal period.

1. Features of this statement:

a. Gross and net income

b. Cost of the sales

c. Gross profit

d. Expenses

e. Net profit

2. Mechanics of the statement:

a. Income from sales minus returned sales gives net income from sales.

b. Merchandise inventory at the beginning of the period added to net purchases gives the merchandise available for sale.

c. The merchandise on hand at the end of the of the period subtracted from the merchandise available for sale gives the cost of the sales.

d. The cost of the sales subtracted from net income from sales gives the gross profit.

e. Total expenses subtracted from gross profit gives the net profit.

f. Use two-money-column journal paper.

g. All items appear in the first column except when purchase returns have to be subtracted from purchases to get net purchases, (this is done to the left of the first column), and in the cases of the following items

which appear in the second money column: net income from sales, cost of sales, gross profit, total expenses, and net profit.

h. Amounts to be used will come directly from the profit and loss columns on the worksheet with the following exceptions: For purchases and the original merchandise inventory use the amounts in the trial balance columns. For the merchandise on hand use the merchandise inventory that appears in the adjusted trial balance columns.

III. The balance sheet

A. This statement shows what a man owns, owes, and is worth.

1. Features of a balance sheet:

a. Account form. Here the assets are at the left and the liabilities and capital are at the right. General ledger paper is used.

b. Report form. In this form the assets are at the top and the liabilities are under them. The liabilities are subtracted from the assets to get the proprietorship which in turn appears under the liabilities. Two-money-column journal paper is used.

2. Mechanics of the report form of the statement:

a. Group assets together under the heading Assets putting them in the order in which they appear on the worksheet with the amounts in the first column. Total them. Put the total in the second column.

b. Group liabilities under the heading Liabilities with the amounts in the first column. Total them. Put the total in the second column.

c. Under the title Net Worth put the proprietor's name and the word Capital after it. Find his capital by subtracting the total liabilities from the total assets. Put the amount in the second column.

IV. The adjusting entries

A. These entries show in general journal form the adjustments that took place.

1. Features of the adjusting entries:

a. Date

b. Debit entry

c. Credit entry

d. Explanation

2. Mechanics of these entries:

a. Use the adjustment columns on the worksheet as a source of information.

b. Copy the adjustments from the worksheet and put them in journal form.

c. Post to the ledger.

V. The closing entries in their simplest form

A. These entries, made in general journal form, close all income and expense accounts in the ledger.

1. Features of the closing entries:

a. Date

b. Debit entry

c. Credit entry

d. Explanation

2. Mechanics of these entries:

a. Use the profit and loss columns on the worksheet as a source of information.

b. In journal form debit all items credited in the worksheet and credit the account Profit and Loss Summary for the total.

c. In journal form credit all items debited in the worksheet and debit the account Profit and Loss Summary for the total.

d. If there was a net profit debit the account Profit and Loss Summary and credit Capital. If there was a net loss reverse the process.

e. Post to the ledger.

VI. Ruling the ledger

A. Income and expense accounts

1. After the adjusting and closing entries have been posted to the ledger all income and expense accounts are equal on both sides.

2. Mechanics of ruling the ledger:

a. Draw a single addition line across the money columns on both sides on the same line.

b. Put the same total on the same line on both sides.

c. Draw a double line immediately below the totals and across all columns of the paper except the explanation columns.

B. Asset, liability, and proprietorship accounts

1. These accounts carry over into the next fiscal period and all that is wanted the next period is one balance to start with.

2. Mechanics of ruling the ledger:

a. If there is just one amount on the debit side, or, just one amount on the credit side, let the account stand as it is.

b. If there are several amounts on one side of an account and none on the other, put,

on the other side, on the top line, the date, the word Balance and the total. Rule a single addition line on the same line on both sides. Bring down like totals. Rule a double line under the totals and across all columns except the explanation columns. Bring down the word Balance using the date of the first of the new month, together with the amount of the balance and put it on the side which will be the opposite from the side where it was put first.

c. If there are unequal amounts on both sides of an account, find the difference. Put the date, the word Balance and the amount of the difference on the smaller side. Rule a single addition line and put like totals on the same line on both sides. Rule double lines. Bring down the balance on the larger or opposite side.

d. If there is the same amount on both sides rule a single line under each money column.

VII. The post closing trial balance

A. The post closing trial balance proves whether or not the accounts that remain open are in balance.

1. Make a trial balance of accounts still open in the ledger. If the debit and credit totals of this post-closing trial balance are alike the ledger is in balance.

Unit Assignment on Work at the End of the Fiscal Period

(Duplicated and given to the pupils)

Unit Assignment on Work at the End of the Fiscal Period

Work at the end of a fiscal period starts with the trial balance, which in itself, is made up of balances of the ledger accounts. Some of the items on the trial balance are not up-to-date and have to be made so by the means of adjustments. The easiest place to make these adjustments and to lay the groundwork for the profit and loss statement and balance sheet, is the worksheet. There is a model 1:202.

Things to Do

1. On a plain piece of paper rule up a ten-column worksheet and put in the column headings.
2. Read 1:195-205 paying particular attention to pages 203 and 204.
3. Do the study guide in your workbook, pages 129 and 130.
4. Write the answers to the Summary Questions 1:205.
5. Can you answer the following questions? If so write your answers.
    a. Are adjustments made before or after inventories have been taken?
    b. What is the purpose of adjustments?
    c. Are totals of the debit and credit columns of the adjustments the same?
6. An adjustment to get rid of the old, or original merchandise inventory, and to put it where it can be added on to Purchases, is shown 1:197, at the bottom of the page.

a. What account was credited in the adjustments?

b. What account was debited in the adjustments?

c. What figure was used?

d. What account in the trial balance was debited with the same amount?

7. A very important thing to remember is that one adds <u>likes</u> and subtracts <u>unlikes</u>, that is, two debits are added, two credits are added, but, a debit and a credit are subtracted to get the adjusted trial balance figure. To be more explicit, if there is a debit balance in the trial balance columns of an account and another debit to the same account in the adjustment columns, one adds both debits to get the correct adjusted trial balance figure, which, of course, will be a debit balance. The same is true of two credits. If there is a debit balance in the trial balance columns and a credit balance in the adjustment columns, one subtracts and the result will be a debit balance in the adjusted trial balance columns. Accounts without adjustments are transferred in their original form to the adjusted trial balance.

a. Read 1:198, the first paragraph.

b. In reference to the adjustment shown 1:197, did the credit to <u>Merchandise Inventory</u> in the adjustments credit column cancel the debit to <u>Merchandise Inventory</u> in the trial balance columns?

c. What did the debit to Purchases in the adjustments debit column do?

8. An adjustment to put the new merchandise inventory on the books, and also to deduct it from Purchases, (since it represents the amount on hand and unsold), is shown 1:198 as adjustment "b".

a. What account was debited in the adjustments columns?

b. What account was credited in the adjustments columns?

c. What was the figure?

d. If the figure had not been given you, how would you have found it?

9. Read the remainder of 1:198 and three-quarters of 1:199. Study the illustration 1:199.

a. How did Merchandise Inventory get a balance of $1682.90 in the adjusted trial balance?

b. How did Purchases get a balance of $960.05 in the adjusted trial balance?

c. Why are the first three balances the same in the trial balance and the adjusted trial balance?

Information under question 7 should supply these answers if you are not sure.

10. Read about adjusting the supplies account 1:999, 200.

a. What is the amount of supplies in the trial

balance?

b. What is the present value of supplies?

c. Does the difference of $14.80 represent the amount used?

d. Where does the present value appear on the worksheet?

11. To adjust the supplies account one first finds the amount used. This is done by subtracting the present value from the original value. The original value is the figure on the trial balance. When the amount used is found one takes that figure and credits the asset, Supplies, in the adjustment columns, and debits a new account called Supplies Used. This last account is an expense account.

a. What is the first step when adjusting a supplies account?

b. Is the amount used deducted from the asset and charged up to an expense account?

12. Read about adjusting the Prepaid Insurance account 1:200, and 201.

a. How much is the Prepaid Insurance account decreased a month?

b. What was its original value?

c. Where does the original value appear on the worksheet?

d. What is the present value of the Prepaid Insurance?

e. Where is it shown on the worksheet?

f. What adjustment was necessary to deduct the expired insurance from the asset account, Prepaid Insurance, and charge it up to a new expense account called Expired Insurance? Give the debit and the credit.

13. Study the model 1:202 again. Do you understand everything through the adjusted trial balance? If not ask for special help.

14. Reread 1:203-205.

a. How do you determine the Net Profit?

b. How do you determine the Net Loss?

c. How are they entered on the worksheet?

d. What are the four steps in the preparation of the worksheet?

e. What is the purpose of the worksheet?

If you had difficulty answering a, b, or c, read the following information carefully.

Income and expense accounts are transferred to the profit and loss columns, debit items to the cost side, credit items to the income side. The totals will not be the same if either a profit or loss has occured. If the income total is larger than the cost total a profit has been made. Enter the Net Profit under the first Cost total and label it in the explanation column. Add both columns again. The resulting totals will be alike. Enter the amount of the Net Profit on the same line

on the opposite side, (credit side), of the balance sheet columns. If a Net Loss has occured put the amount of the Net Loss on the income side of the profit and loss columns and on the opposite side, (debit side), of the balance sheet columns.

All remaining amounts not entered in the profit and loss columns are transferred directly to the balance sheet columns. The total of the assets column must equal the total of the liabilities and proprietorship column.

15. On page 131 of your workbook do Exercise 39, 1:206.
16. On page 132 of your workbook do Exercise 40, 1:207.
17. On page 133 of your workbook do Exercise 42, 1:207.
18. Read 1:209-217.
19. Do Study Guide 16, pages 135 and 136 in your workbook.
20. Write the answers to the Summary Questions, 1:217.
21. Study Illustration 84, 1:210.
    a. What is the amount of Net Sales?
    b. How was this figure determined?
    c. What is the amount of Net Purchases?
    d. How was this figure determined?
    e. What was added to the October 1 Merchandise Inventory to get the Total Cost of Merchandise Available for Sale?
    f. From what does one subtract the October 31st. Merchandise Inventory to get the Cost of Merchandise Sold?

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g. From what does one subtract the Total Expenses to get the Net Profit?

h. Does this Net Profit agree with the Net Profit on the worksheet, 1:202?

i. Did the amount for Purchases in Illustration 84, 1:210, come from the trial balance columns or the profit and loss columns of the worksheet, 1:202?

j. Why?

k. Where did the two Merchandise Inventories on the worksheet come from?

22. Study Illustration 85, 1:213.

a. What are the total assets?

b. What two classifications of assets are used here?

c. What common classification is missing?

d. How are the liabilities classified?

e. Which capital, under Proprietorship, came from the worksheet?

f. Why were the withdrawals subtracted from the Net Profit?

g. How did you find the Present Capital?

h. Do the Total Assets equal the Total Liabilities and Proprietorship?

23. Study the classified chart of accounts 1:216. Reread 1:216, 217.

24. Using the worksheet you prepared for Exercise 42, complete

the work called for in Exercise 44, 1:219, on pages 139 and 140 of your workbook.

25. Do Exercise 43, 1:218, on page 137 of your workbook.
26. Do Exercise 45, 1:219, on pages 141-144 of your workbook.
27. Do Exercise 46, 1:220, on pages 145-148 of your workbook.
28. Read 1:221-231.
29. Do Study Guide 17, pages 153 and 154 of your workbook.
30. Write the answers to the Summary Questions 1:232.
31. Illustration 87, 1:222, shows the adjusting entries in general journal form. Where did the needed information, necessary to compile them, appear before?
32. Study Illustration 84, 1:202, the adjustment columns.
    a. Is Purchases debited here for $1221.75, and is Merchandise Inventory credited for the same amount?
    b. Look back at Illustration 87, 1:222. What is done in that first general journal entry?
    c. Are you now sure where the information for the adjusting entries comes from?
    d. Where?
33. Why is it necessary to post the adjusting entries to the general ledger?
34. Closing entries can be made by two methods. It is well for you to know both, but, the easiest method, and the one peculiar to your textbook, will be presented in this unit. Your method accomplishes the same purpose as the

other method. After you have learned both you can be the judge of which you like better. Reread about closing entries 1:223-226.

35. Look at the first entry in Illustration 88, 1:224. You will note that Sales is debited for $1457.80, that Returned Purchases is debited for $42.85, and that Profit and Loss Summary is credited for $1500.65, the total of the two debits. Turn to your worksheet, 1:202. In the profit and loss columns you will note that here, both Sales and Returned Purchases, are credits, whereas, in Illustration 88, 1:224, they are debited. If you go back to your ledger accounts 1:185, 186, you will find that they are both credited there, as on the worksheet. The purpose of closing entries is to close the ledger, hence, the rule to follow is: If you have credit balances debit them and credit Profit and Loss Summary for the total. If you have debit balances credit them and debit Profit and Loss Summary for the total. Do this to only those accounts found in the profit and loss columns of the worksheet. If there is a Net Profit, debit Profit and Loss Summary and credit either Capital, or the Drawing account of the proprietor. If there is a Net Loss debit either Capital, or the Drawing account of the proprietor and credit Profit and Loss Summary. Post these closing entries to the general ledger.

a. Following the above instructions turn to 1:202

and make the closing entries.

b. Turn to 1:224 and compare your entries with those found there. Are your entries correct?

36. After the adjusting and closing entries have been posted to the general ledger all income and expense accounts are even on both sides. They are now ready to be ruled off. See model, 1:229. Note that when there is one amount on both sides, as in Returned Purchases, a double line is all that is necessary. However, in the case of Salary Expense, it is necessary to draw addition lines as well as double lines and to put in the totals. Be sure that addition lines are on the same line on both sides of an account.

37. Assets, liabilities and capital are carried over into the next fiscal period and all that is wanted is one balance in each account to start with. See model 1:227. Before the Cash account was balanced off it had a debit total of $1682.25 and one figure of $1329.60 on the credit side. To balance it off, it was necessary to put the difference on the credit side to get two totals alike. Double lines were ruled and after that the balance was put down on the side on which it belonged under the date of the first of the next month. In the case of Notes Receivable there is but one amount anyway, so it is left alone.

38. A post-closing trial balance is made like any trial balance of those balances left in the general ledger after it has

been closed. The only accounts left are the assets, liabilities and capital accounts. See model 1:230. The balances here come from 1:227 through the drawing account on 1:228.

39. On pages 155 and 156 of your workbook do Exercise 48, 1:233. Use the worksheet you completed in Exercise 45.
40. On pages 157-160 of your workbook do Exercise 49, 1:233.
41. On pages 161-164 of your workbook do Exercise 50, 1:234.
42. Without consulting a book write the answers to the following questions:
    a. Upon what is the worksheet based?
    b. How does the worksheet aid in making the statements?
    c. How does the worksheet aid in making the adjusting entries?
    d. How does the worksheet help in making the closing entries?
    e. Are income and expense accounts carried over into the next fiscal period?
    f. Are income and expense accounts ruled off or balanced off?
    g. Where do you get the figures for a post-closing trial balance?
    h. Classify on a chart the following accounts: (Remember that the balance of each account can be classified as an asset, liability, proprietorship,

income, cost, or expense).

Advertising

Cash

Returned Purchases

Insurance Expired

Merchandise Inventory

Office Supplies Used

John Jones, Capital

Office Supplies

Prepaid Insurance

Purchases

Returned Sales

John Jones, Drawing

Rent

Salary

Sales

Optional Related Activities

(Typewritten on cards and kept in file on teacher's desk)

Optional Related Activities

1. What is the difference between the worksheet found 7:108 and the one in your textbook? Which do you like better and why?
2. You have been taught one way of making adjusting and closing entries. Carefully read either 3:117-142, 7:121-136 or 4:111-115 and learn the other method. Test your knowledge by doing exercise 13b, 7:137.
3. There is a particularly good model of a profit and loss statement 5:222. Study this carefully and list all the things found there that are not found on your comparatively simple model 1:210.
4. Watch the newspapers for published balance sheets and profit and loss statements. Clip all you find and bring them to class.

Evaluation of the Unit on Work at the End
of the Fiscal Period
(Duplicated and given to the pupils)
(Used as a pre-test and a final test)

Evaluation of the Unit on Work at the End of the Fiscal Period

Beginning on the first blue line on your answer sheet, number your lines 1-60. Mark each true statement with a +. Mark each false statement with O.

1. On a worksheet containing a trial balance, adjustment columns, adjusted trial balance, profit and loss columns, and balance sheet columns, appear ten money columns.
2. The first thing you do on a worksheet is to record the adjustments.
3. When adjusting the Merchandise Inventory account you get rid of the old one by crediting Merchandise Inventory and debiting Purchases in the adjustment columns.
4. When adjusting the Merchandise Inventory account you put the new one on the books by debiting Merchandise Inventory and crediting Purchases in the adjustment columns.
5. When adjusting supply accounts on the worksheet you credit the asset and debit an expense account.
6. The totals of the adjustment columns need not be alike.
7. Trial balance amounts which have no adjustments are transferred to the adjusted trial balance in their original form.
8. Where adjustments have been made the rule is to add likes and subtract unlikes, that is, add two debits, add

two credits, but, subtract a debit and a credit.

9. The totals of the adjusted trial balance are alike.
10. Profit and loss items are transferred from the adjusted trial balance to the balance sheet columns.
11. Income and expense items are transferred to the profit and loss columns.
12. Assets, liabilities and capital are transferred to the balance sheet columns.
13. If the total of the cost column is greater than the total of the income column the difference represents a profit.
14. A net profit is put in the balance sheet columns under capital so that it may be added to the original capital.
15. The totals of the balance sheet columns are not alike.
16. The balance sheet is a statement as of a certain date.
17. The balance sheet shows the condition of the business.
18. The order of the accounts on the balance sheet follows no particular method or rule.
19. The profit and loss statement shows what has happened over a fiscal period.
20. The profit and loss statement is a statement as of a certain date.
21. Assets and liabilities show on the profit and loss statement.
22. Income and expense accounts show on the profit and loss

statement.

23. On the profit and loss statement the total expenses are subtracted from the gross profit to find the net profit.

24. The adjusting entries are made in general journal form.

25. The adjusting entries come from the adjusted trial balance columns on the worksheet.

26. The adjusting entries come from the adjustment columns of the worksheet.

27. The profit and loss columns on the worksheet are a great aid in making closing entries.

28. A Profit and Loss Summary account summarizes the income and expense items.

29. A net profit or a net loss end up eventually in the Capital account.

Select the letter before the statement which indicates the right answer to the following:

30. The balance sheet is

(a) a statement showing the net profit.

(b) a statement of income and expense.

(c) a statement of condition.

(d) a statement of changes which have taken place.

31. A profit and loss statement shows

(a) the net worth of a business.

(b) the condition of a business.

(c) the total assets.

(d) the net profit.

32. The adjusting entries

(a) close the general ledger.

(b) adjust the general journal.

(c) adjust the general ledger.

(d) close the cashbook.

33. The closing entries

(a) close the general journal.

(b) close the cashbook.

(c) close the accounts receivable ledger.

(d) close the general ledger.

34. The post-closing trial balance is usually made

(a) after the adjusting entries are completed.

(b) after the closing entries are completed.

(c) after the general ledger accounts have been ruled or balanced off.

(d) after the balance sheet has been made.

35. Expenses are listed on

(a) the balance sheet.

(b) the profit and loss statement.

(c) the post-closing trial balance.

(d) the abstract of accounts payable.

36. The names of customers and what they owe are listed on

(a) the balance sheet.

(b) the profit and loss statement.

(c) the abstract of accounts receivable.

(d) the abstract of accounts payable.

Select the letter in front of the words in the column at the left which best complete the sentences at the right.

A General Ledger
B Post Closing Trial Balance
C Profit and Loss Statement
D Balance Sheet
E Adjusting Entries
F Closing Entries
G Worksheet

A (37)____may be done in pencil. The (38)____is a statement of condition. The (39)_____shows the net profit or net loss for a fiscal period. The (40)____ is drawn up after the general ledger has been ruled and balanced off. The (41)____bring the statements and the general ledger up-to-date. The (42)____close the general ledger. The (43)____ shows the open accounts in the (44)____.

Select the letter in front of the words in the column at the left which best answer the questions in the right hand column.

A Balance Sheet
B Profit and Loss Statement
C Worksheet

45. Where are the assets adjusted?
46. Where do you find the net profit?
47. Where do you find the net worth?
48. Where do you find total expenses?
49. Where do you find the cost of sales?

Select the letter in front of the words in the column at the left which best answer the questions in the right hand column.

A Balance Sheet

B Profit and Loss Statement

50. On which statement do you find the Supplies Used?
51. Where do you find gross profit?
52. Where do you find Notes Payable?
53. Where would you look to find what took place during the fiscal period?
54. What statement would the bank wish to see first?
55. Which statement shows the Cash on hand on a certain day?
56. Which statement tells us how much we owe?
57. Which statement tells us how much others owe us?
58. Which statement gives us an idea of how we are doing in a fiscal period?
59. Which statement uses both Merchandise Inventories?
60. Which statement uses only the ending Merchandise Inventory?

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CHAPTER IV

EXPERIENCE TEACHING THE UNITS

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During the first four months of the school year, while the units, the unit assignments, the optional related activities, and the tests were being prepared, the class, in which the unit method was tried, was taught in the traditional manner. Each member, however, knew what was coming, and enthusiastically and eagerly awaited the day when the unit method would start.

Unit on the Journals

The first step of the new adventure was taken when the pupils were handed duplicated copies of a pre-test. Their reactions were normal. "How," they demanded, "could they take a test on work they had never had?" The situation was explained. Relieved and happy, they embarked on what turned out to be a guessing game. They had a good time and were exceptionally lucky. The following table shows how lucky.

Pupil	Pre-test	Pupil	Pre-test
1	43	8	42
2	53	9	57
3	39	10	37
4	49	11	50
5	58	12	58
6	47	13	48
7	40		

Total possible score 75. Order of pupils according to scores on Final Test, the highest first.

On the second day a new subject, controlling accounts, one not taken up in the units, but, needed in connection with posting from special journals, was discussed. The pupils learned that they would use three ledgers instead of one. Aside from this brief discussion, there was no special emphasis put on this subject. Throughout the unit, and with amazing ease, the pupils used controlling accounts as if they had heard of them all of their lives. The results of the incidental learning were gratifying.

Controlling accounts, if taught in the first year of bookkeeping, are usually taught toward the end of the year. Usually,this procedure causes confusion in the minds of the pupils. Some textbook writers leave the subject until the second year. From the writer's experience, it would seem that controlling accounts should be taught early, and introduced by means of special journals containing special columns.

Unit assignments were passed out on the third day. The class members figured out the time they would have in which to do the work. As if starting a race they fell to work. One girl out-ran all others. Her unit was finished in half the time allotted. She then turned her attention to the optional related activities. When the time was up she had completed all but one of them, and that one was half done. Sometimes a girl would fall behind the others. When she learned that this was so, she would put on a burst of speed

and usually pass some of the others. Two pupils, who could have had a language difficulty, fussed a bit at first, and said they could learn easier by the traditional method. It turned out that they were a mite lazy and disliked to read. The fussing stopped after they found that a little effort on their part brought results.

All unit assignments were finished on time and the final test was given. Out of a possible score of 75 the following results were achieved:

Pupil	Final Test	Pupil	Final Test
1	73	8	68
2	72	9	66
3	71	10	64
4	70	11	62
5	70	12	60
6	69	13	58
7	69		

One peculiar incident developing out of the test was that the pupil getting the lowest score did excellent work on the unit. She was the second to finish and was quite proud of her achievement.

After this first unit was completed the class was handed a check list with certain questions about the traditional class room method of teaching and the unit method of teaching. (See appendix). By means of it the pupils were to anonymously express their opinions. Three thought they learned more details with the traditional method, ten with the unit method. Four thought that they read more with the traditional method, eight

with the unit method. One failed to check either way. The whole class thought they worked harder with the unit method of teaching. One thought she could go ahead faster with the traditional method, but twelve checked the unit method. Six thought their attention was held better by the traditional method, seven by the unit method. Five thought tests seemed easier after having been taught by the traditional method, eight by the unit method. One thought she accomplished more at home by the traditional method, twelve by the unit method. Three thought they accomplished more in the class room by the traditional method, ten by the unit method. Thus, to summarize the findings of the check list, it was found that out of 103 possible answers the unit method scored 80 to the traditional method's 23. The unit method won by 57 points.

Unit on Work at the End of the Fiscal Period

Work on this unit started on schedule. The pre-test was given first and the results were amazing. The writer decided that she had the champion guessers of all time. Actually, though it was not known at the time, one girl scored higher by eight points on the pre-test than she did on the final test. Pre-test results are listed below:

Pupil	Pre-test	Pupil	Pre-test
1	29	8	37
2	46	9	26
3	37	10	44
4	47	11	36
5	28	12	39
6	31	13	41
7	36		

Total possible score 60. Order of pupils according to scores on Final Test, the highest first.

One period, following the pre-test, was devoted to the explanation of a model worksheet in the textbook. Contrary to the writer's usual teaching procedure, no worksheet was done on the blackboard. Unit assignments were passed out and the pupils started to work. A few questions arose when they made their first worksheets, but, it was surprising how little difficulty was experienced and how soon the worksheet was mastered. From then on the class progressed with ease. Never, in the writer's experience, a matter of eighteen years, were the adjusting and closing entries learned so easily.

All but two of the unit assignments came in on time, and those were not very late. However, none of the optional related activities were attempted, and, it is quite probable, that the pupils should have had at least two more days in which to complete their work.

The work of the class was exceptionally good, in several cases it was excellent. Particularly noticeable was the correctness of the forms and the ruling. It is believed that constant reference to models helped achieve this goal. Past experience has shown that orally reminding pupils to follow certain ways of ruling is very unsatisfactory. Another goal achieved by this constant reference to models was neatness. One might call these things incidental learning products, but, they are important. Very few errors

were made on the worksheets, profit and loss statements, balance sheets, adjusting and closing entries, and the post-closing trial balances. The writer was very much pleased with the work of the class.

After the unit assignments were finished a final test was given. The results on this unit were not as good as on the first one, but, this unit was much more difficult. Out of a possible score of 60 the following results were achieved:

Pupil	Final Test	Pupil	Final Test
1	57	8	52
2	56	9	51
3	55	10	50
4	55	11	49
5	54	12	48
6	53	13	33
7	53		

The class was loud in its acclaim of the unit method of teaching. The writer was asked to prepare units for next year's work.

Possibly, at this point, a few words about the unit method from the teaching standpoint might be appropriate. Getting the units ready, and making sure they cover the things one wishes them to cover, is a job--and a good-sized job, but, it is worth it. The pupils know what they have to do and go right ahead at their own rates of speed. The teacher notes the trouble spots and improves the unit assignments as they are used. In this way very superior unit assignments can evolve. The teacher does practically

all her work making out the units, but, once that is done, her life with the class is very easy. It consists of answering a few questions, making a few explanations. The pupils are busy all of the time. There is a great deal more interest shown. What is learned is well-learned.

SELECTED AND ANNOTATED BIBLIOGRAPHY

Carlson, Paul A., Alva L. Prickett, and Hamden L. Forkner, 20th Century Bookkeeping, 18th Edition, Volume I. South-Western Publishing Company, Cincinnati, 1940. VIII + 412 p.

The objectives of this book are a simplified approach, a simplified bookkeeping cycle, spiral development, realism and integration. The illustrations are excellent and the vocabulary readily understandable.

Elwell, Fayette H., Ernest A. Zelliot, and Harry I. Good, Business Record-Keeping. Ginn and Company, Boston, 1944. XII + 510 p.

This book contains selected materials within the experience and knowledge of students. It presents principles and practices of present-day bookkeeping. A unique feature is the chapter on Insurance Agency bookkeeping.

Bowman, Charles E., and Atlee L. Percy, Business and Bookkeeping Procedure. American Book Company, 1941. X + 464 p.

This book is so written that it is readily adaptable to classes where there is a wide range of ability. The print is excellent, the paper a fine grade, the cover attractive. It follows the present trend of thought in bookkeeping instruction, stressing personal and social values more and strictly vocational values less.

Rosenkampff, Arthur H., and William C. Wallace, Bookkeeping and Accounting Principles and Practice, 4th Edition. Prentice-Hall, Inc., New York, 1941. XIX + 349 p.

Bookkeeping is presented in a series of closely related topics from the "management" viewpoint. This book dwells extensively on ledger accounts. It omits controlling accounts.

McKinsey, James O., and Edwin B. Piper, Bookkeeping and Accounting, Volume I. South-Western Publishing Company, Cincinnati, 1939. 542 p.

An outstanding feature of this book is its length.

It has 46 chapters. In addition to the usual features of a first-year book it takes up controlling accounts, has a chapter on partnerships, and one on corporations.

APPENDIX

Key to Test on the Journals

1. Plus
2. 0
3. Plus
4. Plus
5. Plus
6. 0
7. 0
8. Plus
9. 0
10. 0
11. Plus
12. 0
13. Plus
14. Plus
15. Plus
16. Plus
17. 0
18. 0
19. Plus
20. Plus
21. Plus
22. 0
23. Plus
24. 0
25. Plus
26. Plus
27. Plus
28. Plus
29. Plus
30. 0
31. 0
32. 0
33. Plus
34. 0
35. Plus
36. 0
37. Plus
38. Plus
39. Plus
40. Plus
41. Plus
42. 0
43. 0
44. Plus
45. Plus
46. 0
47. 0
48. 0
49. 0
50. 0
51. c
52. d
53. a
54. a
55. d
56. d
57. D
58. E
59. A
60. B
61. C
62. C
63. B
64. D
65. A
66. E
67. E
68. E
69. B
70. C
71. Cash Receipts Journal
72. General Journal
73. Purchases Journal
74. Sales Journal
75. Cash Payments Journal

Key to Test on Work at the End of the Fiscal Period

1. Plus
2. O
3. Plus
4. Plus
5. Plus
6. O
7. Plus
8. Plus
9. Plus
10. O
11. Plus
12. Plus
13. O
14. Plus
15. O
16. Plus
17. Plus
18. O
19. Plus
20. O
21. O
22. Plus
23. Plus
24. Plus
25. O
26. Plus
27. Plus
28. Plus
29. Plus
30. c
31. d
32. c
33. d
34. c
35. b
36. c
37. G
38. D
39. C
40. B
41. E
42. F
43. B
44. A
45. C
46. B
47. A
48. B
49. B
50. B
51. B
52. A
53. B
54. A
55. A
56. A
57. A
58. B
59. B
60. A

CHECK LIST

Put a check mark before the number to express your opinion.

Do you find that you learn more details with

1. the traditional classroom method of teaching?
2. the unit method of teaching?

Do you find that you read more with

1. the traditional method?
2. the unit method?

Do you work harder with

1. the traditional method?
2. the unit method?

Can you go ahead faster with

1. the traditional method?
2. the unit method?

Is your attention held better with

1. the traditional method?
2. the unit method?

Do tests seem easier after having been taught by

1. the traditional method?
2. the unit method?

Do you accomplish more at home with

1. the traditional method?
2. the unit method?

Do you accomplish more in the classroom with

1. the traditional method?
2. the unit method?

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